

ACF Fund for Affordable Housing

*For pre-development expenses supporting
affordable housing*

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About ACF

- The Arizona Community Foundation and its 13 Affiliates are a statewide philanthropy and partnership of donors, volunteers, staff, nonprofit organizations and the community working together to empower and align philanthropic interests with community needs and build a legacy of giving.

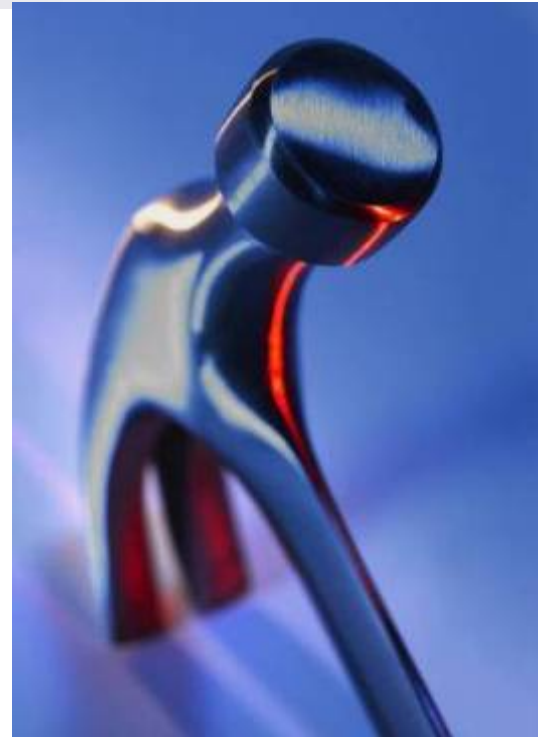
The Need for Affordable Housing in Arizona

- ❑ One in three Arizona families cannot afford decent housing.
- ❑ Teachers, firemen, police officers, retail workers and service people pay more than 30 percent of their income for housing (the Federal standard).
- ❑ Lack of affordable housing negatively impacts businesses in terms of total commute times for employees.
- ❑ Moving frequently and living in sub-standard housing are particularly hard on families, children and our schools.



Recoverable Grants Fund

- Arizona Community Foundation and LISC have launched a new ACF fund that will provide recoverable grants to help with pre-development costs of affordable housing projects.
- Most affordable housing projects are developed by nonprofit Community Development Corporations, which lack up-front capital to pay for pre-development expenses to launch new projects.



Recoverable Grant Fund

- **Purpose:** To jump start development of decent, affordable homes in Arizona
- **Use:** To address key obstacle for nonprofit developers that need up-front funds for:
 - Earnest money for land acquisition
 - Land acquisition assistance
 - Site planning
 - Conceptual drawings
 - Environmental, archeological and market studies
 - Initial engineering evaluation
 - Other professional services and consultants



How Recoverable Grants Work

- **Recoverable grants are, in effect, zero-interest loans**
 - Not typically available from banks.
 - Term: 24 to 36 months.
 - When “repaid,” funds go back into the Recoverable Grants Fund to assist additional affordable housing projects.
 - Repayment rates are high; but if project does not move forward, recoverable grant is converted to traditional grant.



How Recoverable Grants Work

- CDCs statewide can apply to ACF for grant funds.
- LISC will review applications and underwrite them as if they were loans.
- LISC, working with ACF, will recommend grants for approval by ACF's Distribution & Programs Committee.
- Funds raised remain devoted to affordable housing at ACF if the program is changed or ended in the future.



Recoverable Grant Fund Structure

■ Size: \$1.5 million (goal)

- ACF has committed \$100,000.
- LISC has committed \$50,000.
- Other funders include:
 - Arizona Department of Housing
 - Bank of America, JP Morgan Chase, Wells Fargo, Marquette Financial Companies/Meridian Bank, Wachovia Foundation, WaMu
 - The Pakis Family Foundation, the Ingebritson Family Foundation, deTommaso Family Foundation, the Andrew Family Foundation, AZ First Advised Fund, and individual donors.



Impact of Contributions

- Contributions to the Fund will be leveraged many times over.
- We estimate that a \$100,000 contribution could support as much as \$10 million in housing over a period of years.





LISC's Role as Partner to ACF

- Work with ACF to create program criteria, documents and select recipients
- Screen and underwrite grant requests to ensure projects have high probability of getting financing
- Monitor developers and projects to ensure the process is moving forward in timely fashion
- Provide technical assistance
- Ensure grant is repaid as agreed
- Assist ACF in evaluating the Grant Pool and the individual projects that the Pool supports
- Provide feedback to ACF and annual reports to all of the funders

Approved Projects To Date

Project Name	Number of Housing Units	Type	ACF Grant Amount
■ International Sonoran Desert Alliance, Inc. One West Artisan Housing	41	Rental units	\$51,500
■ Neighborhood Housing Services of Phoenix, Inc. Target Area B Homes	27	For sale SF homes	\$75,000
■ National Farm Workers Service Center, Inc. Prescott Valley Rental Housing	120	Rental units	\$75,000
■ Desert Mission Neighborhood Renewal, Inc. Cholla Homes	19-20	For sale Townhomes	\$75,000
■ Housing Our Communities, Inc. Rio Rico Desert Estates	37	Residential lots for home ownership	\$63,970
■ Native American Connections, Inc. 4530 N. Central TOD Housing Project	66	Multi-use transit oriented project	\$75,000
TOTALS	311		\$415,470

For more information, visit
www.azfoundation.org

